

One Hundred Ninth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the fourth day of January, two thousand and five*

An Act

To amend title 38, United States Code, to enhance the Servicemembers' Group Life Insurance program, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Servicemembers’ Group Life Insurance Enhancement Act of 2005”.

SEC. 2. REPEALER.

Effective as of August 31, 2005, section 1012 of division A of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (Public Law 109–13; 119 Stat. 244), including the amendments made by that section, are repealed, and sections 1967, 1969, 1970, and 1977 of title 38, United States Code, shall be applied as if that section had not been enacted.

SEC. 3. INCREASE FROM \$250,000 TO \$400,000 IN AUTOMATIC MAXIMUM COVERAGE UNDER SERVICEMEMBERS’ GROUP LIFE INSURANCE AND VETERANS’ GROUP LIFE INSURANCE.

(a) MAXIMUM UNDER SGLI.—Section 1967 of title 38, United States Code, is amended—

(1) in subsection (a)(3)(A)(i), by striking “\$250,000” and inserting “\$400,000”; and

(2) in subsection (d), by striking “of \$250,000” and inserting “in effect under paragraph (3)(A)(i) of that subsection”.

(b) MAXIMUM UNDER VGLI.—Section 1977(a) of such title is amended—

(1) in paragraph (1), by striking “in excess of \$250,000 at any one time” and inserting “at any one time in excess of the maximum amount for Servicemembers’ Group Life Insurance in effect under section 1967(a)(3)(A)(i) of this title”; and

(2) in paragraph (2)—

(A) by striking “for less than \$250,000 under Servicemembers’ Group Life Insurance” and inserting “under Servicemembers’ Group Life Insurance for less than the maximum amount for such insurance in effect under section 1967(a)(3)(A)(i) of this title”; and

(B) by striking “does not exceed \$250,000” and inserting “does not exceed such maximum amount in effect under such section”.

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(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect as of September 1, 2005, and shall apply with respect to deaths occurring on or after that date.

SEC. 4. SPOUSAL NOTIFICATIONS RELATING TO SERVICEMEMBERS' GROUP LIFE INSURANCE PROGRAM.

Effective as of September 1, 2005, section 1967 of title 38, United States Code, is amended by adding at the end the following new subsection:

“(f)(1) If a member who is married and who is eligible for insurance under this section makes an election under subsection (a)(2)(A) not to be insured under this subchapter, the Secretary concerned shall notify the member’s spouse, in writing, of that election.

“(2) In the case of a member who is married and who is insured under this section and whose spouse is designated as a beneficiary of the member under this subchapter, whenever the member makes an election under subsection (a)(3)(B) for insurance of the member in an amount that is less than the maximum amount provided under subsection (a)(3)(A)(i), the Secretary concerned shall notify the member’s spouse, in writing, of that election—

“(A) in the case of the first such election; and

“(B) in the case of any subsequent such election if the effect of such election is to reduce the amount of insurance coverage of the member from that in effect immediately before such election.

“(3) In the case of a member who is married and who is insured under this section, if the member makes a designation under section 1970(a) of this title of any person other than the spouse or a child of the member as the beneficiary of the member for any amount of insurance under this subchapter, the Secretary concerned shall notify the member’s spouse, in writing, that such a beneficiary designation has been made by the member, except that such a notification is not required if the spouse has previously received such a notification under this paragraph and if immediately before the new designation by the member under section 1970(a) of this title the spouse is not a designated beneficiary of the member for any amount of insurance under this subchapter.

“(4) A notification required by this subsection is satisfied by a good faith effort to provide the required information to the spouse at the last address of the spouse in the records of the Secretary concerned. Failure to provide a notification required under this subsection in a timely manner does not affect the validity of any election specified in paragraph (1) or (2) or beneficiary designation specified in paragraph (3).”.

SEC. 5. INCREMENTS OF INSURANCE THAT MAY BE ELECTED.

(a) **INCREASE IN INCREMENT AMOUNT.**—Subsection (a)(3)(B) of section 1967 of title 38, United States Code, is amended by striking “member or spouse” in the last sentence and inserting “member, be evenly divisible by \$50,000 and, in the case of a member’s spouse,”.

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(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 1, 2005.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*